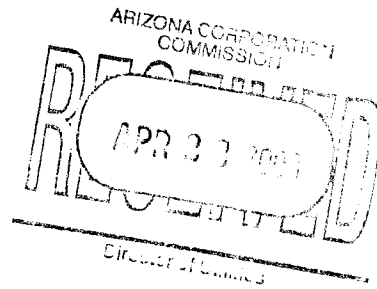


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

F

W-02838A
Francesca Water Co., Inc.
11200 S. Sierrita Mt. Rd. PMB 106
Tucson AZ 85736



ANNUAL REPORT

*Entered
4/25/03
Cym*

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2002 |
|----|----|------|

FOR COMMISSION USE

| | |
|--------|----|
| ANN 04 | 02 |
|--------|----|

OK

COMPANY INFORMATION

Company Name (Business Name) FRANCESCA WATER CO INC.

Mailing Address 11200 S SIERRITA MTN RD PMB #106
(Street)

TUCSON
(City)

ARIZONA
(State)

85736
(Zip)

520 822-9704
Telephone No. (Include Area Code)

520 822-5214
Fax No. (Include Area Code)

520 405-1559
Pager/Cell No. (Include Area Code)

Email Address DATSI@AOL.COM

Local Office Mailing Address _____
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: DAVID THOMSON
(Name)

OWNER / OPERATOR
(Title)

11834 S. BRANDYWINE LN TUCSON
(Street) (City)

ARIZONA
(State)

85736
(Zip)

520 822 9532
Telephone No. (Include Area Code)

520 822 5214
Fax No. (Include Area Code)

520 405 1559
Pager/Cell No. (Include Area Code)

Email Address DATSI@AOL.COM

On Site Manager: SAME AS ABOVE
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: DAVID THOMSON

(Name)

11834 S BRANDYWINE LN TUCSON ARIZONA 85736

(Street)

(City)

(State)

(Zip)

520 822 9532

Telephone No. (Include Area Code)

520 822-5214

Fax No. (Include Area Code)

520 822-1559

Pager/Cell No. (Include Area Code)

Attorney: BROWN & BAIN ATTORNEYS AT LAW

(Name)

ONE SOUTH CHURCH, 19TH FLOOR TUCSON ARIZONA 85702

(Street)

(City)

(State)

(Zip)

520 798 7900

Telephone No. (Include Area Code)

520 798 7945

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|--------------|---|-----------------------|-------------------------------------|--------------------------|
| 301 | Organization | 1,015 | — | 1,015 |
| 302 | Franchises | 0 | 0 | 0 |
| 303 | Land and Land Rights | 10,000 | 0 | 10,000 |
| 304 | Structures and Improvements | | | |
| 307 | Wells and Springs | 38,669 | 25,000 | 13,669 |
| 311 | Pumping Equipment | 3,800 | 475.00 | 3,325.00 |
| 320 | Water Treatment Equipment | 2,600 0 | 11,859.00 | 15,75.00 |
| 330 | Distribution Reservoirs and Standpipes | 11,702 59,640 | 8358.00 2982.00 | 3344.00 56658.00 |
| 331 | Transmission and Distribution Mains | 75,034 | 52,487 | 22,547.00 |
| 333 | Services | 26,192 | 9,824 | 16,368.00 |
| 334 | Meters and Meter Installations | 8,929 | 3,762 | 5,167.00 |
| 335 | Hydrants | — | — | — |
| 336 | Backflow Prevention Devices | — | — | — |
| 339 | Other Plant and Misc. Equipment | 0 | — | — |
| 340 | Office Furniture and Equipment | 4,341 | 1,436.54 | 2,904.46 |
| 341 | Transportation Equipment | 3,800 | 2,850.00 | 950.00 |
| 343 | Tools, Shop and Garage Equipment | 3,000 | 900.00 | 2,100.00 |
| 344 | Laboratory Equipment | 0 | — | — |
| 345 | Power Operated Equipment | 3,400.00 | 680.00 | 2,720.00 |
| 346 | Communication Equipment | 500.00 | 225.00 | 275.00 |
| 347 | Miscellaneous Equipment | 0 | — | — |
| 348 | Other Tangible Plant | 0 | — | — |
| | TOTALS | 290,022 | 120,818.54 | 169,203.46 |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|--------------|--|-----------------------------|-----------------------------------|----------------------------------|
| 301 | Organization | 1,015 | — | — |
| 302 | Franchises | 0 | — | — |
| 303 | Land and Land Rights | 10,000 | — | — |
| 304 | Structures and Improvements | 0 | — | — |
| 307 | Wells and Springs | 38,166.9 | 3.33% | 1,288 |
| 311 | Pumping Equipment | ^{12,100} 3,800 | 12.50% | ^{1,525} 475 |
| 320 | Water Treatment Equipment | 0 | — | — |
| 330 | Distribution Reservoirs and Standpipes | ^{54,700} 54,640 | 5% | ^{2,735.00} 2,732.00 |
| 331 | Transmission and Distribution Mains | 75,034 | 2% | 1,501 |
| 333 | Services | 26,192 | 3.33% | 872 |
| 334 | Meters and Meter Installations | 8,929 | 8.33% | 744 |
| 335 | Hydrants | 0 | — | — |
| 336 | Backflow Prevention Devices | 0 | — | — |
| 339 | Other Plant and Misc. Equipment | 0 | — | — |
| 340 | Office Furniture and Equipment | 4,341 | 6.67% | 289.54 |
| 341 | Transportation Equipment | 3,800 | 20% | 760 |
| 343 | Tools, Shop and Garage Equipment | 3,000 | 5% | 150 |
| 344 | Laboratory Equipment | 0 | — | — |
| 345 | Power Operated Equipment | 3,400 | 20% | 680 |
| 346 | Communication Equipment | 500 | 10% | 50 |
| 347 | Miscellaneous Equipment | 0 | — | — |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 262,622 | | 11,951.54 |

This amount goes on Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

| Acct. No. | ASSETS | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|---|------------------------------------|------------------------------|
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 1200.00 | \$ 600.00 |
| 134 | Working Funds | 0 | 0 |
| 135 | Temporary Cash Investments | 0 | 2500.00 |
| 141 | Customer Accounts Receivable | 1350.00 | 1219.59 |
| 146 | Notes/Receivables from Associated Companies | 0 | 0 |
| 151 | Plant Material and Supplies | 875.00 | 750.00 |
| 162 | Prepayments | 0 | 0 |
| 174 | Miscellaneous Current and Accrued Assets | 0 | 0 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 3425.00 | \$ 5,069.59 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 255,422 | \$ 301,422.00 |
| 103 | Property Held for Future Use | 0 | 0 |
| 105 | Construction Work in Progress | 116,000 | 0 |
| 108 | Accumulated Depreciation – Utility Plant | 108,867 | 120,818.54 |
| 121 | Non-Utility Property | 0 | 0 |
| 122 | Accumulated Depreciation – Non Utility | 0 | 0 |
| | TOTAL FIXED ASSETS | \$ 410,289 | \$ 422,240.54 |
| | TOTAL ASSETS | \$ 413,714.00 | \$ 427,300.13 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|---|------------------------------------|------------------------------|
| | LIABILITIES | | |
| | CURRENT LIABILITIES | | |
| 231 | Accounts Payable | \$ 15,000 | \$ 9800 |
| 232 | Notes Payable (Current Portion) | 0 | 0 |
| 234 | Notes/Accounts Payable to Associated Companies | 0 | 0 |
| 235 | Customer Deposits | 125 | 200 |
| 236 | Accrued Taxes | 50 | 50 |
| 237 | Accrued Interest | 2308.52 | 1300 |
| 241 | Miscellaneous Current and Accrued Liabilities | 0 | 0 |
| | TOTAL CURRENT LIABILITIES | \$ 17483.52 | \$ 11,350.00 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ 141,368.98 | \$ 127,368.95 |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ 0 | \$ 0 |
| 252 | Advances in Aid of Construction | 0 | 0 |
| 255 | Accumulated Deferred Investment Tax Credits | 0 | 0 |
| 271 | Contributions in Aid of Construction | 0 | 0 |
| 272 | Less: Amortization of Contributions | 0 | 0 |
| 281 | Accumulated Deferred Income Tax | 0 | 0 |
| | TOTAL DEFERRED CREDITS | \$ 0 | \$ 0 |
| | TOTAL LIABILITIES | \$ 158852.00 | \$ 138718.95 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ 100 | \$ 100 |
| 211 | Paid in Capital in Excess of Par Value | 0 | 0 |
| 215 | Retained Earnings | 0 | 0 |
| 218 | Proprietary Capital (Sole Props and Partnerships) | 0 | 0 |
| | TOTAL CAPITAL | \$ 100 | \$ 100 |
| | TOTAL LIABILITIES AND CAPITAL | \$ 158952.00 | \$ 138818.95 |

COMPANY NAME

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|----------------|----------------|
| 461 | Metered Water Revenue | \$ 37,281.56 | \$ 47,816.66 |
| 460 | Unmetered Water Revenue | — | — |
| 474 | Other Water Revenues | 1564.80 | 965.79 |
| | TOTAL REVENUES | \$ 38,846.36 | \$ 48,782.45 |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 5,200.00 | \$ 5,200.00 |
| 610 | Purchased Water | — | — |
| 615 | Purchased Power | 5570.29 | 6328.00 |
| 618 | Chemicals | 620.00 | 560.00 |
| 620 | Repairs and Maintenance | 2212.67 | 6718.21 |
| 621 | Office Supplies and Expense | 2377.63 | 2730.49 |
| 630 | Outside Services | 11,393.91 | 40,113.79 |
| 635 | Water Testing | 1,097.00 | 1,835.00 |
| 641 | Rents | 948.00 | 948.00 |
| 650 | Transportation Expenses | 3255.29 | 2,229.50 |
| 657 | Insurance – General Liability | 1700.00 | 2,049.00 |
| 659 | Insurance - Health and Life | 0 | 0 |
| 666 | Regulatory Commission Expense – Rate Case | 300 | 0 |
| 675 | Miscellaneous Expense | — | 4857.86 |
| 403 | Depreciation Expense | 7525.00 | 11,958.54 |
| 408 | Taxes Other Than Income | 0 | 0 |
| 408.11 | Property Taxes | 2047.73 | 2178.92 |
| 409 | Income Tax | 50.00 | 50.00 |
| | TOTAL OPERATING EXPENSES | \$ 44,297.62 | \$ 88,270.23 |
| | OPERATING INCOME/(LOSS) | \$ (5,451.26) | \$ (39,487.78) |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ 0 | \$ 0 |
| 421 | Non-Utility Income | 0 | 0 |
| 426 | Miscellaneous Non-Utility Expenses | 0 | 0 |
| 427 | Interest Expense | 5700.00 | 4352.52 |
| | TOTAL OTHER INCOME/(EXPENSE) | \$ 5700.00 | \$ |
| | NET INCOME/(LOSS) | \$ (11,151.26) | \$ (43,840.30) |

COMPANY NAME

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|----------------|---------------------|---------|---------|
| Date Issued | 8/24/01 | 8/24/01 | | |
| Source of Loan | WIFA | WIFA | | |
| ACC Decision No. | W-02838A | W-02838A | | |
| Reason for Loan | Refinance Debt | Finance Improvement | | |
| Dollar Amount Issued | \$ 44,368.48 | \$ 97,000. | \$ | \$ |
| Amount Outstanding | \$ 32,295.45 | \$ 88,364.97 | \$ | \$ |
| Date of Maturity | 7/01/07 | 8/1/21 | | |
| Interest Rate | 7.75% | 5.075% | | |
| Current Year Interest | \$ 1,890.46 | \$ 1,941.34 | \$ | \$ |
| Current Year Principle | \$ 6,394.13 | \$ 2,579.46 | \$ | \$ |

Meter Deposit Balance at Test Year End

\$ 0

Meter Deposits Refunded During the Test Year

\$ 0

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (Gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|
| 55-508617 | 10hp | 24-55 | 550' | 8" | 2" | 1984 |
| 55-535748 | 10hp | 24-55 | 805' | 10"-8"-7" | 2" | 1992 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---------------------|----------------|--|
| | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|---------------|----------|-------------------|----------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| 5 | 3 | | |
| 7.5 | 1 | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|---------------|----------|----------------|----------|
| Capacity | Quantity | Capacity | Quantity |
| 40,000 | 1 | 3,000 | 1 |
| 25,000 | 1 | 2,000 | 1 |
| | | | |
| | | | |

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2 | PVC | 3067 |
| 3 | NC | 329 |
| 4 | PVC | 6796 |
| 5 | — | |
| 6 | PVC | 4487 |
| 8 | — | |
| 10 | — | |
| 12 | — | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | 94 |
| 3/4 | |
| 1 | 1 |
| 1 1/2 | |
| 2 | |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | |
| Tubo 4 | |
| Comp. 6 | |
| Tubo 6 | |
| | |
| | |
| | |

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

| MONTH | NUMBER OF CUSTOMERS | GALLONS SOLD | GALLON PUMPED (Thousands) |
|-----------|---------------------|--------------|------------------------------|
| JANUARY | 96 | 578070 | 587 |
| FEBRUARY | 96 | 546990 | 562 |
| MARCH | 96 | 538590 | 555 |
| APRIL | 96 | 629550 | 643 |
| MAY | 96 | 758380 | 780 |
| JUNE | 96 | 917110 | 934 |
| JULY | 98 | 1024220 | 1042 |
| AUGUST | 98 | 840360 | 856 |
| SEPTEMBER | 98 | 825070 | 834 |
| OCTOBER | 98 | 659802 | 672 |
| NOVEMBER | 98 | 662173 | 678 |
| DECEMBER | 98 | 638720 | 654 |
| TOTAL | | N/A | 8797 |

8619035 am

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

☒ No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 0.008 0.0063 mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME _____ YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 2178.92

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME _____

YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

David A. Thomson Jr.
SIGNATURE

April 15, 2003
DATE

David A. Thomson Jr.
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

| |
|---|
| COUNTY OF (COUNTY NAME) <i>Pima</i> |
| NAME (OWNER OR OFFICIAL) TITLE <i>David A. Thomson President</i> |
| COMPANY NAME <i>Francesca Water</i> |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2002 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

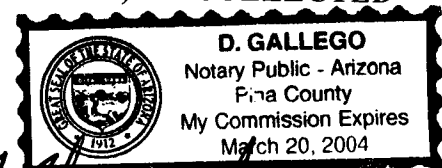
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 51,437.60

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 2655.15
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



David A. Thomson
SIGNATURE OF OWNER OR OFFICIAL
520 405 1559
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 21st DAY OF

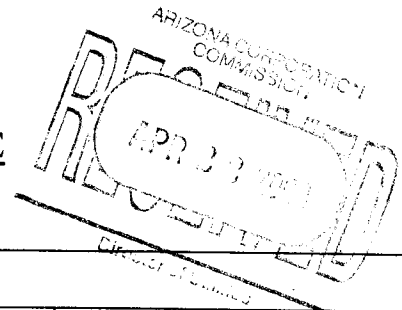
| | |
|----------------------------|--------------|
| COUNTY NAME <i>Pima</i> | |
| MONTH <i>April</i> | 20 <u>03</u> |

(SEAL)

MY COMMISSION EXPIRES 3/20/2004

D. Gallego
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

| | |
|---|------------------------|
| (COUNTY NAME) <u>Pima</u> | |
| NAME (OWNER OR OFFICIAL) <u>David Thomson</u> | TITLE <u>President</u> |
| COMPANY NAME <u>Francesca Water</u> | |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2002 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

| |
|--|
| ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>51,437.60</u> |
|--|

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 2655.15
IN SALES TAXES BILLED, OR COLLECTED

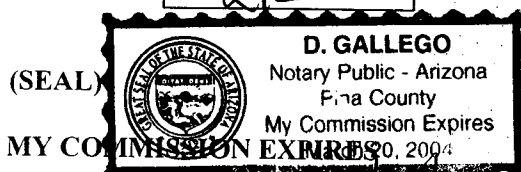
*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

David A Thomson
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 21st **DAY OF**



| | |
|--|------------------|
| NOTARY PUBLIC NAME <u>Dianne Gilgore</u> | |
| COUNTY NAME <u>Pima</u> | |
| MONTH <u>April</u> | YEAR <u>2003</u> |

X D Gallego
SIGNATURE OF NOTARY PUBLIC

M 200386 PIMA COUNTY TAX RECEIPT



ARIZONA

| COUNTY | BOOK | MAP | PARCEL | AMOUNT OF TAX | FIRST HALF | SECOND HALF |
|--------|------|-----|--------|---------------|------------|-------------|
| 10 | 301 | 19 | 077B 0 | \$1,042.58 | PAID | PAID |

THIS IS YOUR RECEIPT FOR PAYMENT OF SECOND HALF 2001 REAL ESTATE TAXES.

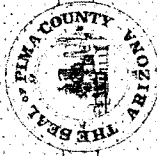
FRANCESCA WATER COMPANY
DAVID A THOMSON JR/PRESIDENT
11834 S BRANDYWINE LANE
TUCSON AZ
857360000
CK

| AMOUNT PAID | DATE |
|-------------|------------|
| \$1,042.58 | 04/18/2002 |

THANK YOU FOR YOUR PAYMENT.
BETH FORD
PIMA COUNTY TREASURER

M 201000 PIMA COUNTY TAX RECEIPT

ARIZONA



| COUNTY | BOOK | MAP | PARCEL | AMOUNT OF TAX | FIRST HALF | SECOND HALF |
|--------|------|-----|-----------------|---------------|------------|-------------|
| 10 | 301 | 19 | 077B 0 A MOUNTS | \$1,115.12 | PAID | \$1,115.12 |

FIRST HALF 2002 REAL ESTATE TAXES

THIS IS YOUR RECEIPT FOR PAYMENT OF

FRANCESCA WATER CO INC
DAVID A THOMSON JR/PRESIDENT
11834 S BRANDYWINE LANE

TUCSON AZ 85736
CK

| AMOUNT PAID | DATE |
|-------------|------------|
| \$1,115.12 | 11/01/2002 |

THANK YOU FOR YOUR PAYMENT
BETH FORD
PIMA COUNTY TREASURER

M 02 03 PIMA COUNTY TAX RECEIPT



ARIZONA

| COUNTY | BOOK | MAP | PARCEL | AMOUNT OF TAX | FIRST HALF | SECOND HALF |
|--------|------|-----|--------|---------------|------------|-------------|
| 10 | 301 | 74 | 1340 0 | \$21.22 | PAID | PAID |

FIRST HALF 2002 REAL ESTATE TAXES.

THIS IS YOUR RECEIPT FOR PAYMENT OF

FRANCESCA WATER CO INC
DAVID A THOMSON JR/PRESIDENT
11834 S BRANDYWINE LANE

TUCSON AZ 85736
CK

| AMOUNT PAID | DATE |
|-------------|------------|
| \$21.22 | 11/01/2002 |

THANK YOU FOR YOUR PAYMENT.
BETH FORD
PIMA COUNTY TREASURER